GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1516
ANSWERED ON:04.08.2006
INVESTMENT PROPOSAL FROM BRITISH GAS
Boianapalli Shri Vinod Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether Government have put on hold British Gas (BG)`s proposal to invest Rs. 90 Million Dollars in India for setting up three wholly owned subsidiaries in Andhra Pradesh, Tamil Nadu and Karnataka for developing gas distribution and transmission infrastructure ;

(b) if so, the reasons therefor ;

(c) whether the government wants to elicit the views of Gas Authority of India Ltd. (GAIL), the BG`s India partner before granting permission to BG; and

(d) if so, the reasons therefor ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) No, Sir. The Government has received three proposals from M/s. British Gas (BG) Energy Holdings Limited, UK to set up Wholly Owned Subsidiaries in the State of Andhra Pradesh, Tamil Nadu and Karnataka for developing gas distribution and transmission infrastructure with a foreign investment of US $ 30 million in each proposal. The proposals are pending for consideration of Foreign Investment Promotion Board (FIPB) because they are incomplete as No-Objection Certificate/comments in terms of Press Note 1 (2005 series) from the Joint Venture Partners of `existing` Joint Ventures have not been, furnished by the company.

(c) and (d) Yes, Sir. As per the requirement under Press Note 1 (2005 series), notified by Department of Industrial Policy and Promotion (DIPP), comments of the existing Joint Venture(s) (JV) partner(s) are required in the cases where the foreign investor has an existing joint venture in the `same` field, to enable the Government to ascertain whether the new venture would or would not jeopardize the interest of the existing joint venture(s). Ministry of Petroleum and Natural Gas has been requested to obtain the comments of the existing JV partners, and communicate to the FIPB.